



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



FILE COPY

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April 12, 2011

James Buford, Executive Director
Urban League of St. Louis
3701 Grandel Square
St. Louis, MO 63108

RE: Homelessness Prevention and Rapid Re-Housing Program (HPRP)
(Project #2011-HOM05)

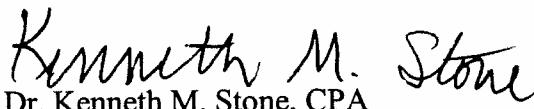
Dear Mr. Buford:

Enclosed is a report of the fiscal monitoring review of the Urban League of St. Louis, a not-for-profit organization, HPRP, for the period October 1, 2009 through August 31, 2010. The scope of a fiscal monitoring review is less than an audit, and as such, we do not express an opinion on the financial operations of the Urban League of St. Louis. Fieldwork was completed on October 15, 2010.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised, and has been conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and through an agreement with the City of St. Louis Department of Human Services (DHS) to provide fiscal monitoring to all grant sub-recipients.

If you have any questions, please contact the Internal Audit Section at (314) 622-4723.

Sincerely,


Dr. Kenneth M. Stone, CPA
Internal Audit Executive

Enclosure

Cc: Ron Hicks, Fiscal Manager, DHS
Antoinette Triplett, Manager II - Homeless Services, DHS



CITY OF ST. LOUIS

**DEPARTMENT OF HUMAN SERVICES (DHS)
AMERICAN RECOVERY AND REINVESTMENT ACT FUNDING
HOMELESSNESS PREVENTION AND RAPID RE-HOUSING
PROGRAM (HPRP)**

**URBAN LEAGUE OF ST. LOUIS
CONTRACT #60620
CFDA #14.257**

**FISCAL MONITORING REVIEW
OCTOBER 1, 2009 THROUGH AUGUST 31, 2010**

PROJECT #2011-HOM05

DATE ISSUED: APRIL 12, 2011

**Prepared by:
The Internal Audit Section**



OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

**CITY OF ST. LOUIS
DEPARTMENT OF HUMAN SERVICES (DHS)
AMERICAN RECOVERY AND REINVESTMENT ACT FUNDING
HOMELESSNESS PREVENTION AND RAPID
RE-HOUSING PROGRAM (HPRP)
URBAN LEAGUE OF ST. LOUIS
FISCAL MONITORING REVIEW
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INTRODUCTION

Background

Contract Name: Urban League of St. Louis

Contract Number: 60620

CFDA Number: 14.257

Contract Period: October 1, 2009 through July 28, 2012

Contract Amount: \$1,335,000

This contract provided Homelessness Prevention and Rapid Re-Housing Program (HPRP) funds to Urban League of St. Louis (Agency) to provide financial assistance and services to either prevent individuals and families from becoming homeless or help those who are experiencing homelessness to be quickly re-housed and stabilized in the greater St. Louis Area.

Purpose

The purpose of the review was to determine the Agency's compliance with federal, state and local Department of Human Services (DHS) requirements for the period October 1, 2009, through August 31, 2010, and make recommendations for improvements as considered necessary.

Scope and Methodology

Inquiries were made regarding the Agency's internal controls relating to the grant administered by DHS. Evidence was tested supporting the reports the Agency submitted to DHS and other procedures were performed as considered necessary. Fieldwork was completed on October 15, 2010.

Exit Conference

The Agency was offered an exit conference, but it was declined.

Management's Responses

The management's responses to the observations and recommendations identified in the report were received from the Agency on March 29, 2011. These responses have been incorporated into this report.

SUMMARY OF OBSERVATIONS

Conclusion

The Agency did not fully comply with federal, state and local DHS requirements.

Status of Prior Observations

The Agency did not have a previous fiscal monitoring report for the HPRP contract. This was the Agency's first year administering the grant.

A-133 Status

The Agency was required to have an A-133 Audit for its fiscal year ending December 31, 2009 because it expended more than \$500,000 in federal funds.

The report dated June 22, 2010, rendered unqualified opinions on the financial statements and federal awards. There were no instances of noncompliance, material weaknesses or significant deficiencies identified.

The audit did not disclose any findings required to be reported in accordance with OMB Circular A-133.

The Agency did qualify as low-risk auditee.

Summary of Current Observations

Recommendations were made for the following observations, which if implemented could assist the Agency in fully complying with federal, state, and local DHS requirements.

- The Agency did not require two authorized signatures on grant disbursement checks

DETAILED OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT'S RESPONSES

The Agency Did Not Require Two Authorized Signatures On Grant Disbursement Checks

IAS tested the Agency's HRRP expenditures for April and December 2010 for accuracy. It was noted that two authorized signatures were not present on HRRP disbursement checks under \$1,000.

Section VI of DHS Fiscal Procedures Manual requires all checks for expenditures reimbursed by the grant to be pre-numbered and signed by the chief executive officer and financial officer or any two duly authorized officers.

The Agency did not have a system of internal control to ensure compliance with the check signing requirements of the DHS Fiscal Procedures Manual for the grant related expenditures. Non-compliance with DHS fiscal procedures may result in suspension or termination of the Agency's federal grant agreement with DHS.

Recommendation

It is recommended that the Agency comply with DHS Fiscal Procedures Manual and require two authorized signatures on all checks for grant related expenditures.

Management's Response

We are in receipt of a waiver from the City exempting us from requiring two signatures – see attached documentation.

Auditors' Comment

The waiver only exempted the Agency from requiring two signatures on Missouri Emergency Shelter grant disbursement checks. The Agency should obtain a waiver specifically for the HPRP grant, exempting it from requiring two signatures on all HPRP disbursement checks.